

FISCAL NOTE

SB 579 - HB 868

February 12, 2001

SUMMARY OF BILL:

- Amends TCA 67-6-102(13) by expanding the definition of "industrial machinery" to include all research and development machinery, apparatus and equipment with all associated parts, appurtenances and accessories, including hydraulic fluids, lubricating oils and greases necessary for operation and maintenance, repair parts and any necessary repair or taxable installation labor therefor which is necessary and primarily for the performance of research and development in a laboratory sense does not include: (1) consumer surveys, advertising and promotions; (2) market research; (3) efficiency surveys; (4) management surveys; and (5) research in connection with literary, historical or similar projects.
- Amends TCA 67-6-329(a) by exempting from sales and use tax materials and supplies used in research and development facilities for research and development purposes in a laboratory and experimental sense.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$2,500,000

Decrease Local Govt. Revenues - Exceeds \$100,000

Estimate based on estimated research and development expenditure data obtained from the National Science Foundation.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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